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THE ILL-FARE STATE

By Montgomery Belgion

Anything written about any programme of the British Government is conditioned by an "if" -- if the Labourites are still in power. The possibility of a general election must always be taken into consideration, and even more so since the election last year, when nearly as many Conservatives were returned as were members of the Government Party.

But latterly the danger has grown more acute. Not only are the Conservatives now determined to force as many as possible of those divisions on which the fate of the Government hangs, but also the country at large gives signs of losing faith in the men of whom the Government is composed. It is being said that those men have become stale. Certainly at the moment it is impossible to open an English newspaper without being confronted by the account of some new muddle, and nobody would accuse the members of His Majesty's Government, nearly six years after they first took office, of having learned from their mistakes.

The programme of armament which they have drawn up in agreement with the United States and the nearest of Britain's Continental neighbours may be wise or unwise. That is beside the immediate question. But obviously, apart from funds, two materials will be essential: coal and steel. The production of iron and steel has long been under State control. But for the Labour Government control is not enough. They have insisted on State ownership.

What State ownership has already meant for coal is well known. For some weeks early in 1947 the innumerable office workers in this great city had to shiver by candlelight amid the gloom of winter afternoons. A coal famine had taken the Government by surprise. It was charitable to suppose that this was accidental to the novelty of the duties which ownership involves, and that the paralysis of business would not be allowed to recur.

Again last winter, however, there was a coal crisis, and again the Government was apparently unable to see it coming. It was upon the country when the Minister of Fuel announced that, instead of exporting coal, he would import coal from America. Another unforeseen discovery

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followed. British ports are not equipped to unload American colliers. So, before reaching England, the coal has had to go at added expense to Holland for transshipment. In the meanwhile, the allowance of coal to householders was reduced to a few scuttlesful; industry was told its requirements would be "15 per cent, undelivered", and many railroad trains were suspended.

II

In view of this, what are the prospects for iron and steel production now that this production too is nationalized? The answer was given the other day by Punch. That paper printed a cartoon of Mr. Attlee in the guise of a juggler on a vaudeville stage. Lying shattered in fragments at his feet was a plate labelled "coal". Another plate labelled "steel" was still intact in one of his hands. And he was saying, "Now, ladies and gentlemen, please watch my rearmament trick."

However, the situation is not funny. As The Times said a week before vesting day for iron and steel arrived in February, "The nationalization of iron and steel is an entirely unjustified and dangerous act, above all in the present emergency." The Opposition had made no secret of their intentions. If they are returned to office -- and that may happen one day -- the nationalization will be repealed.

In these circumstances what can the private corporations which produce iron and steel do but hold their hand? They have refused to let representatives join the new iron and steel board. The absence of men of experience can only multiply the mistakes and confusion inseparable from the change-over. Is it surprising if the Government's intransigence in this respect is thought to endanger the production of armaments which they have undertaken?

Their argument is that nationalization is to the benefit of the wage-earners -- the members of the trade unions -- whose welfare they claim to have above all at heart. But the nationalization of the coal mines has not filled the men who go down to the pits with the delight prognosticated. The miners have found the Government coal board an employer as harsh as any capitalist. Only grudgingly were they granted not long ago an increase in wages to meet the steadily rising cost of living. Other categories of trade unionists are no happier.

III

Britain still rations food, the trade unionist's like that of everybody else. Butchers' meat, butter, margarine, cheese and sugar are to be bought only in limited quantities. No doubt the price of butchers' meat is low, thanks to subsidies provided out of excessive duties on to-

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bacco, wines and spirits. But at the end of January the meat ration was brought down to the value of 8d. (16 cents at parity of exchange) a week, and even a Socialist should perceive the futility of a low price for no meat.

The cause of the want of meat is of course that the Government has insisted on taking into its hands the purchase of all imports of food, and that it has refused to pay the perfectly reasonable price asked for meat by the Argentine. They say that at that price the subsidy would become too expensive. But they omit to add why a subsidy should be made an end in itself, and why after promising to raise the standard of living, they have succeeded only in raising its cost.

Then there is the matter of a roof over one's head. Of necessity during the war no houses were built. Bombs swelled the extent of the resulting shortage. How has the Government met that shortage? Though determined to run everything, they have not forbidden private building. They have been content to make it very difficult. Licenses to build are issued either not at all or with much procrastination. In consequence, whereas during 1938 and 1939, 340,000 houses were put up yearly, the annual average since 1945 has been 200,000. Many of the meatless thus remain homeless as well. The Government keeps rents low, so low that dwellings are not kept in proper repair, and tenants will not evacuate houses which are too large for them.

The Government's discovery that monster armaments were indispensable was as sudden as any of its other discoveries. It occurred after six years of an expenditure on defense unparalleled in time of peace, and yet apparently for this expenditure there is nothing to show. Needless to say, the burden of financing the new programme of armament threatens to magnify considerably not only the present shortage of men and materials, but also something which I have so far mentioned only in passing. I mean, the inflation of prices.

That there has been inflation already, nobody in England can unfortunately fail to realize. Since 1945, when Labour acceded to office, the poorest portion of the community may have become able to make ends meet for the first time, and the squalor of the worst slums has accordingly been mitigated. But all other people, no matter what their incomes, find that the satisfaction of their needs is ever retreating, like the donkey's carrot, just out of reach.

Thus the evils concomitant with inflation are brought home to the individual every day. It is to be noticed, however, that inflation has been going on in spite of oppressive taxes. Mr. John T. Flynn has

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pointed out that whereas in America a married man with two children and an income of $2,800 a year pays $26 income tax, the same man in England pays $288. Heavy taxes do not weigh merely on the private citizen. They impair the resources of private enterprise, especially in a period of inflation. The directors of corporations complain that the ratio of liquid capital to turnover has sadly diminished in the last ten years, so that trade and industry have difficulty in putting their hands on capital as required. Hence the big rise in bank advances recorded the other week. It will be odd if, in consequence, Britain's competitive efficiency in the markets of the world does not suffer.

IV

Altogether the evidence is incontrovertible. No country after Russia has more Socialism today than Britain. But the result is not the Welfare State; it is the Ill-fare State. No wonder people say that the men at the head of affairs have turned stale!

Yet to blame particular persons is misguided. It is more than unfair; it is dangerous. It is to imply that a new team might succeed where the old team has fallen down on the job, and if this implication were to be believed, the sequel must be disaster. The source of all the damage so far is not the incompetence of individuals, gross as that may be; it is the Socialist doctrine by which they are actuated.

Efforts to promote the "welfare" of everybody in general and of the industrial wage-earner in particular by means of wholesale planning and reckless spending are foredoomed no matter by whom and no matter where they are attempted. The argument that if control and direction by the State are but sufficiently embracing, all factories become efficiently located, all decisions are wise, prompt and expert, and the happy smile on the face of the worker won't come off -- will not bear examination. Complete centralization creates a task beyond human capacity.

But it is enslavement to the doctrine which leads a government to persist in provoking the delays and confusion inseparable from a great change-over in the ownership of iron and steel production at a time when smooth and swift output is wanted. It is enslavement to the doctrine which prevents a government from foreseeing that at a time when workers have a choice of jobs something more is needed than a mere transfer of ownership to attract men down the pits and to ensure that mining by antiquated methods shall yield all the coal expected.

The latest book by Montgomery Belgion, British author and lecturer, is Reading for Profit, mentioned in Not Merely Gossip this week.

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Not Merely Gossip *A Supplement to* Human Events Vol. VIII, No. 16

By Frank C. Hanighen April 18, 1951

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CRISIS: The central fact emerging from the events of the past week is that planners, despite their claims of omniscience, cannot foresee spontaneous combustion. The "thought control" experts, idea-planners, and the progeny of Goebbels in our Government had a chart for "taking care of MacArthur" almost symmetrically drawn last January.

But the "mass man" got out of control, a popular explosion of unexpected magnitude occurred, and they suddenly had to rub their eyes and behold a picture of Congress sitting jointly to listen to a "hero" (instead of a "villain"), ticker-tape parades, renewed demands for impeachment of Caesar -- in short, unplanned "circuses" for a plebs ungratefully forgetful of who had provided "bread".

It was like this. Last January, the blueprint called for building up General Matthew Ridgway (Marshall's man), the skimping of supplies for MacArthur, subterranean negotiations for a sellout peace in the Far East. Meanwhile, it was anticipated that MacArthur's stock, then low, would slump even more; Ridgway's command would expand; MacArthur would finally be left with only Japan under him (temporarily necessary, because of the General's enormous prestige among the Japanese). By fall, after conclusion of a peace treaty with Japan, MacArthur would be retired. The one virile obstacle to appeasement in the Far East would be removed.

Why did this dream of the "idea-planners" fail? Too many very personal, very human x's in the equation. Acheson's brooding worry over his own situation, and the political ego of Truman, smarting from the famous letter of Joe Martin (spontaneous combustion -- "I must rid myself of that man"); also the fact that Mac's stock was estimated too low; and finally the haste of the British to bring the Chinese Communists "into the family of nations" -- all these factors conspired suddenly to push forward the schedule of the Great Conspiracy.

Hence, the directors of the Ministry of Propaganda had to hastily ready -- with many solemn phrases and mock heroics over the Constitution -- the argument that the civil power must prevail over the military. That did not succeed probably for the reason that most people realize Mr. Truman has treated the Constitution about as gently as music critics. So, another tack was taken, and there appeared in the President's speech of Wednesday, April 11, the "peace" argument that MacArthur intended to expand the war while Truman labored to keep us out of a general conflict. This seems to be an argument of great potentialities and one which may usher in the next act in the great historic drama.

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MACARTHUR SPEECH: As this issue of HUMAN EVENTS goes to press, the General is in San Francisco. This publication will be in the mail at the time his speech is delivered to Congress. We have no way of knowing what he will say -- and we do not propose to guess. What we do know are some of his considerations as he started to compose the speech and work on it in Tokyo.

(We should report that the General, right after his dismissal, had no direct communication with any American politician. We gather that neither House Minority Leader Joe Martin nor Senator Robert A. Taft talked with MacArthur on the phone. Martin talked with MacArthur's Secretary, General Whitney. We understand that it was the intention of MacArthur neither to be guided by, nor to have close relations with, any American politician. He was in communication with none but personal friends in the United States; but he did receive advice and counsel on the situation in this country from these friends.)

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Our readers now know what MacArthur has said. Before he said it, the big question among those who discuss the matter in Washington was: How will he deal with the argument of the Government thought-controllers that the President wants peace while MacArthur wants expanded war?

What we do know, in advance of his speech, may prove of interest. For, one big question looms: How will the General, long absent from America, adjust his views to the climate of public opinion he will find on his return? Hence, we give as follows salient points which MacArthur, in Tokyo, reflecting on his dismissal, considered for his oration:

(1) A restatement of his noble peace words on the U.S.S. Missouri at the time of the Japanese surrender in 1945; (2) a very human tribute to the bravery of his troops, their steadfastness in fighting a war under tremendous handicaps, and limitations on their fighting scope unprecedented in history, etc.; (3) much emphasis on the situation in Japan; (4) an attack on appeasement. What is also noteworthy is that the General pondered pitching his utterances over and above both contending groups in the recent Great Debate; above the thesis of Taft, Wherry and Hoover -- as well as above the Administration thesis.

It will be interesting to see if these original considerations, in Tokyo, remain in the final text as delivered, or emerge altered by his first impressions on arrival here.

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TRUMAN'S PERFORMANCE: "Why doesn't the President fire Acheson too?" -- was a question asked by experienced politicos during the twenty-four hours following the dismissal of MacArthur. To those who had long studied the technique of the late Franklin D. Roosevelt, it seemed the natural and obvious move. If Truman would also get rid of the highly unpopular Secretary of State -- and MacArthur's greatest adversary -- the "balancing" would take much of the sting out of the firing of MacArthur and would diminish the outcries of the Opposition -- so it was calculated. But the time for doing this passed, and again it was appropriate to remark that Truman does not possess the supple genius of the late FDR.

To such a criticism were added others. Why did he fire the General instead of letting him resign? The news dispatch of Washington correspondent Walter Trohan to the Chicago Tribune (on April 16) has much credence here: Trohan suggested that MacArthur was about to resign on Tuesday, April 10; and that news of such a move got to the White House, hastening the announcement of the dismissal. Yet, resignation would have substantially calmed the situation, would have caused less public uproar. Was this the result of Presidential emotion -- of puerile vindictiveness?

In this connection we can report from reliable Administration sources that almost identical words were used by the President in two historic instances: (1) On receipt of the news last June that the North Koreans had attacked, he reportedly said: "They can't do that to me." (2) On news of the MacArthur letter to Joe Martin: "He can't do that to me."

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REACTIONS ON THE HILL: Senator Russell of Georgia will, according to leading Republicans, "play it straight" in handling MacArthur before the Armed Services Committee, of which the Georgian is Chairman; it will be no "Tydings' whitewash probe", they say. However that may be, the selection of Armed Services rather than Foreign Relations is significant. "Old Tawm" Connally (head of latter Committee) was firmly shut out of this hearing by virtual bipartisan agreement. The Republicans hate him for his gross unfairness; the Democrats, because his crude treatment of former President Hoover and his long record for noisy clowning has brought public resentment.

However, even if Russell does run the hearing fairly, the show held in secret session will probably produce only more confusion. The Democratic members will probably leak out anti-MacArthur and Republicans pro-MacArthur versions to the press.

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---- Senator Kerr of Oklahoma, leads the Administration defense these days in the Senate chamber. On Tuesday, April 17, discussing MacArthur, the Oklahoman was so strongly baited by Senator Jenner for criticism of the General that he finally, in a burst of "fair-mindedness", conceded that MacArthur is sincere, is indeed a "100 per cent American". Senator Jenner rose and tartly commented, "So, therefore you appoint General Vaughan to greet MacArthur at the airport -- you send a five per-center to meet a 100 per cent American." Then Senator Brewster interjected, "Good way to do it. They want to put Mac in a deep freeze."

---- One Washingtonian found the town a very bewildering place: "Three weeks ago, I went away to Florida at the time when Senator Tobey and Senator Kefauver were practically nominated to run against each other for the Presidency. Now, I return to discover that the Presidential race is MacArthur against Eisenhower."

---- Anti-British feeling is running high because of the Labor Government's role in the Far East imbroglio. There is some talk in the cloakrooms of a resolution cutting off all military and economic aid to Britain.

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SIDELIGHTS: When the President of Remington Rand Company claimed that MacArthur would take a job with that company at a salary of $100,000 a year, few believed it to be so. We have inquired about this matter among those who should know, and they believe it unlikely that MacArthur accepted such a proposition. They do believe, however, that the General at one time seriously considered the offer. (It is recalled that General Groves, former head of the Atomic Commission, is now employed by Remington Rand.) MacArthur, it is thought, probably delayed definite acceptance. Now that the storm has broken, it is the opinion of our sources that MacArthur would definitely not take the job. At least, he has been strongly advised not to do so. This is one of the oddities of the whole MacArthur affair.

---- The high brass in the Pentagon, following the word of the dismissal, issued an order forbidding the sending of any messages from officers in the Pentagon to MacArthur. Around the tables at the Army and Navy Club, this is interpreted as a foolish and probably vindictive order, for which Marshall (who fears and hates the Far East Commander) or those around him are responsible. Many regular army and navy officers who knew MacArthur in former days would naturally like to wire him some message of courtesy on this occasion.

---- Where regular army and navy officers gather, one point -- not elsewhere mentioned -- was made, during discussion as to whether the civil authority should prevail over the military. It was pointed out that this argument came into conflict very sharply with the official attitude of the Administration in the Nuremberg trials. In those extraordinary legal phenomena, German generals were charged, convicted and punished for the crime of obeying orders from the civil government of Germany, i.e. Hitler. Army and navy career men (who have never liked the Nuremberg proceedings) expressed the opinion that the Nuremberg Commission seems to imply that these German generals should have defied civil control. Anyway, it was remarked, that when civil and military opinion clash in connection with a purposeless slaughter such as in Korea, a commander's first duty is to his troops.

---- On Capitol Hill, the move for impeachment was sidetracked largely because obvious legal difficulties made it impossible. However, it may be reported that Senator Jenner, before he advanced the proposal on Wednesday, April 11, hesitated as he realized that if he proposed impeachment he could not sit in trial with the rest of the Senate. Talk of impeachment on the Hill was virtually forced by the large number of messages from constituents demanding it. Senators considered better a resolution affirming that the President should resign because he was incapable of carrying on his duties.

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MACARTHUR MARKET: The reaction of the stock market to the news of MacArthur's ousting is significant. On the morning after the amazing announcement the market opened on a jittery note; prices were below the closing prices of the night before. Within an hour, however, the losses were regained, and the gradual upward trend of the past year resumed. Why? The sensitive pulse of the market records only economic forces, and heeds political events only as they might affect these forces. The dropping of MacArthur in no way indicates either a cessation of war spending (whether for the Korean war or the anticipated war elsewhere), or of other inflationary moves of the government. So long as the government continues to print money or to create credit money through the issuance of bonds or treasury certificates, so long as the government depletes the market through give-aways, just so long will the market record the fact by higher prices. How long can this continue? The answer: How low can the dollar go?

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JAPAN: Concern mounts about the future of the country so long ruled by MacArthur. The problems ahead in regard to Japan are formidable. Yet, already those circles in the State Department which have brought disaster to our Far Eastern policy are talking of a civilian administrator for Japan whose credentials are far from acceptable. The man they mention is John K. Emmerson of the Japanese desk of the Far Eastern Division. Emmerson is a friend and kindred spirit of John P. Davies, John S. Service and other figures who traditionally favored the Communists in the protracted diplomatic struggle in China.

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CHARITY: A transplanted Englishman made a lot of money in America and designated a British hospital fund as one of his legatees. The family is contesting the will on the ground that this fund is now nationalized, along with the hospital, and the charitable purpose of the deceased cannot be carried out. In fact, the fund does not exist, since the hospital is maintained by taxes. The American trustee is thus called upon to make a decision involving the transition from a free economy to a collectivized economy. Charity is possible only in the former, where the beneficiary is either a person or an institution maintained by persons; where the institution becomes tax-supported it is part of the government. A legacy to a public fire department would be meaningless; so is a bequest to a tax-supported hospital. Advocates of "social security" might take this into consideration.

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CULTURE: The preoccupation of HUMAN EVENTS with the political and economic aspects of individualism does not blind us to the important part played by the arts, particularly pure literature, in keeping alive the values of a free society. So long as the artist is permitted to talk about the "best that has been said and thought in this world" the regimenters cannot completely submerge the person, nor squelch human aspirations.

We are pleased, therefore, to report on a book of pure culture that we have enjoyed -- Reading For Profit, by Montgomery Belgion (our contributor this week). We cannot review it, without leaving our appointed character, but we can recommend it to our readers who relish good literature. It is a relief for the mind surfeited with the obscenities of politics, the idiocies of planners and the horrors of war, to be able to sit down of an evening and listen to one who knows all about novels and dramas, good and bad writing, old and new poetry. (Published by Henry Regnery Company, Chicago, Ill. $3.00).

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